

1997 0014

BASIC 1997 OOH ISSUES

NOVEMBER 8, 1996

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BASIC 1997 OOH ISSUES

Purpose: Review recommended adjustments to OOH Plan requiring additional funding:

Sub-Markets

- Additional 38 Sub-markets (\$600.0m originally required) \$200.0m
 - \$300.0m funded by deleting 1 month of "Corporate Pool" activity in Boston and Richmond.
 - \$100.0m funded by OOH Negotiations savings to date

Corporate Pool Adjustments

- Richmond Out-of-pocket (OOP) versus "Corporate Pool" (Exhibit I A) \$235.0m
 - Corporate Pool provided coverage in lead market only
 - Premium brands will be allocated entire 12 months of "Corporate Pool"
 - OOP buy encompasses broader market coverage
- Atlanta OOP buys to supplement "Corporate Pool" underdelivery (Exhibit 1B) \$141.0m
- Boston OOP buys to supplement "Corporate Pool" underdelivery in Worcester \$56.0m

Miscellaneous

- Saginaw, MI (4E0) not included in original estimate \$140.0m

Premiere Panels

- San Francisco (Tier 3 market) 6 month OOH presence
 - Current Program translated into 1997
 - 18 Showing
 - 18 Panels @ \$550 / ea = \$9,900 / mth
 - 6 Incremental Months required \$59.4m

Total: \$831.4m

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Recommendation

Reduce 30-sheet showing in Tier 1 markets from a 50 showing
to a 25 showing for 2 of 10 months

or
Eliminate 1 month of OOH activity in Tier 2 markets

(\$700.0m) ✓

Eliminate Premiere Panels from San Francisco unless plant allows
us to keep for 6 continuous months

(\$59.4m) 

Total:

(\$759.4M)

Difference:

\$72.0m**

** Utilize Print Reserve and / or anticipated OOH savings from negotiations

all books 9.6
Hwy # Mag

MA
cover

OPB
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Basic
covers

Roy Anise

Ronal / Mistr

Comm-
books

Jim Bacon
Annette
Tuesday
11-1:00

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Basic Corporate Pool Underdelivery

MARKETS	Tier	CORPORATE POOL								OUT-OF-POCKET									
		Bulletins			30-sheet			Total		Bulletins			30-sheet			Total			
		Show	Units	Cost (\$M)	Show	Units	Cost (\$M)	Show	Cost (\$M)	Show	Units	Cost (\$M)	Show	Units	Cost (\$M)	Show	Cost (\$M)		
ATLANTA	1																		
Atlanta		34	15	\$62.1	16	30	\$6.8	50	\$68.9	25	15	\$55.1	50	60	\$14.6	75	\$69.7		
Athens		-	-	-	-	-	-			-	-	-	50	10	\$18.0	50	\$18.0		
Basic plan includes 6 months Corporate Pool									\$413.4	Basic plan only includes 4 months of OOP									\$350.8
										Should include 6 additional months of 30-sheet in Athens and Atlanta									\$141.0
RICHMOND	2																		
Richmond-Petersburg		28	3	\$8.7	34	20	\$6.7	62	\$15.4	25	TBD	\$11.3	25	TBD	\$5.5	50	\$16.8		
Norfolk/VA Beach/Newport		-	-	-	-	-	-	-	-				50	TBD	\$28.2	50	\$28.2		
Roanoke		-	-	-	-	-	-	-	-				50	TBD	\$3.6	50	\$3.6		
Lynchburg		-	-	-	-	-	-	-	-				50	TBD	\$3.4	50	\$3.4		
Danville		-	-	-	-	-	-	-	-				50	TBD	\$2.6	50	\$2.6		
																			\$54.6
Current plan includes 6 months of Corporate Pool only									\$92.4	New Basic Plan will include 6 months OOP									x6
																			\$327.6
										Total Incremental									\$235.2
BOSTON	2																		
Boston		12	8	\$74.2	24	63	\$37.0	89	\$111.2	-	-	-	-	-	-	-	-		
Worcester		25	2	\$9.3	-	-	-	25	\$9.3	-	-	-	25	TBD	\$9.3	25	\$9.3		
									\$120.5										
*Boston Corporate Pool also has 387 Taxi Tops @ \$51.4m / mth with estimated showing level of 53.									\$51.4										
Current plan includes 6 Months of Boston Corporate Pool Only									\$1,031.4	Plan should include additional 25 showing in Worcester over 6 mths									\$55.8

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